

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 3018 - HB 3093

March 1, 2010

SUMMARY OF BILL: Creates a special assistance subsidy within the premium assistance program of AccessTN to an eligible person who was disenrolled from TennCare as a result of ineligibility for supplemental security income (SSI) in accordance with *Daniels v. Goetz* litigation from the time the individual was disenrolled until the person becomes eligible for federal social security disability insurance.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Exceeds \$1,000,000

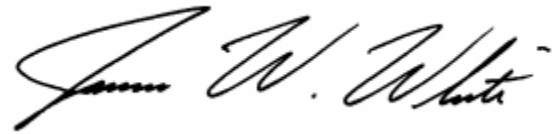
Assumptions:

- According to the Bureau of TennCare, approximately 29,000 individuals were disenrolled in 2009 due to being determined ineligible under current eligibility Medicaid rules.
- AccessTN premium assistance is limited to available funding. Funding will need to be increased to provide premium assistance to the 29,000 disenrolled individuals.
- Currently, premiums range between \$410 and \$1,225 per month for the plan that offers premium assistance, depending on age, weight and tobacco use.
- The lowest level premium assistance provided is 20 percent of the premium.
- Based on the lowest level of premium assistance, premiums will at least be \$4,920 (\$410 x 12) per year.
- If the AccessTN program provided 20 percent premium assistance to the 29,000 disenrolled individuals, expenditures would be increased by \$28,536,000 (29,000 x \$4,920 x 20%).
- While there are a number of factors that are unknown, including the number of disenrollees who would qualify for the AccessTN program, the type of premium assistance that they would qualify for, and the amount of time that an individual would be on the program, it is reasonably estimated that any premium assistance will result in an increase in state expenditures by an amount which exceeds \$1,000,000.

- According to the Department of Finance and Administration, there would not be any additional administrative costs to operate the targeted program.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large initial "J" and a distinct "W".

James W. White, Executive Director

/kml